

From: [Jones, Dave F \(DEC\)](#)
To: [Lisa Haas](#)
Cc: [Plosay, James R \(DEC\)](#); [Germain, Grace \(DEC\)](#); [Olds, Jason R \(DEC\)](#)
Subject: AGDC Gas Treatment Plant Permit Extension Request Information Request
Date: Wednesday, May 31, 2023 3:47:00 PM
Attachments: [AQ1524CPT01 Alaska LNG Gas Treatment Plant Permit Extension Request.pdf](#)
[EPA PSD Extension Guidance.pdf](#)

Lisa,

The Alaska Department of Environmental Conservation (Department) received a letter from the Alaska Gasline Development Corporation (AGDC) dated May 12, 2023 (attached), requesting a 2nd extension of the construction deadline contained in Condition 2 of Construction Permit AQ1524CPT01. The letter contains a list of justifications for why construction has yet to commence, which adequately meet the criteria for issuing a 1st extension request. However, the letter does not go on to satisfy the criteria listed in EPA's Memorandum (attached) dated January 31, 2014, titled "Guidance on Extension of Prevention of Significant Deterioration (PSD) Permits under 40 C.F.R. 52.21(r)(2)" (Extension Memorandum). The Extension Memorandum states the following:

First Permit Extension Request

In accordance with 40 CFR 52.21(r)(2), a Permittee's first PSD permit extension request should include a detailed justification of why the source cannot commence construction within the initial 18-month period. For example, relevant factors for this justification could include ongoing litigation over any PSD permit, natural disasters that directly affect the facility, significant or unusual economic impediments (including inability to secure financial resources necessary to commence construction), and/or delays in obtaining other required permits.

Furthermore, the EPA believes that in order to give meaning to the extension provision in 40 CFR 52.21(r)(2), review or redo of substantive permit analyses such as Best Available Control Technology (BACT), air quality impacts analysis (AQIA) or PSD increment consumption analyses should generally not be necessary for a first permit extension request.

Second Permit Extension Request

The EPA believes that in most cases a request for a second extension of the commencement of construction deadline should include a substantive re-analysis and update of PSD requirements. Only in rare circumstances would a detailed justification of why a source cannot commence construction by the current deadline (as is recommended above for the purpose of requesting the first extension) be sufficient to support a second extension. Generally, the benefits of conducting an updated substantive review of the PSD requirements after 36 months from the initial issuance of the PSD permit would outweigh the considerations discussed above that favor an initial extension without such analysis. While the EPA's experience is that pollution control technology for criteria pollutants has not been advancing at the same rate that it once was, the EPA believes that it is more likely that technology and air quality considerations will become outdated when construction does not begin until 36 months or longer after the EPA has taken final action to issue a PSD

permit. Therefore, when a second extension of the deadline for commencing construction is requested, the EPA will evaluate on a case by-case basis whether a second permit extension is justified. In some cases, the EPA may ask the permittee to apply for a new PSD permit rather than conduct its review through a permit extension proceeding.

Based on the aforementioned EPA guidance, the Department must evaluate the second extension request on a case-by-case basis. In the last six years, the Department has granted two other stationary source's requests for delaying construction until after 36 months from the initial issuance of their PSD construction permit. In both cases, the applicant provided updated research of the RACT/BACT/LAER Clearinghouse (RBLC), and found that the BACT limits contained in more recent permit approval determinations were consistent with those found in the BACT limits established in their original PSD construction permit.

Therefore, please provide the Department with an updated RBLC search of BACT controls and limits on comparable emissions units to justify the Department's granting of the 2nd permit extension request. Please provide the requested information by June 30th, 2023, so Department staff have time to review the material and make a determination prior to August 13, 2023, when the 1st extension approval expires.

If you have any questions regarding this request, please feel free to contact myself or Jim Plosay.

Regards,

Dave Jones

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